

FISCAL NOTE

SB 726 - HB 1221

April 14, 2003

SUMMARY OF BILL: Creates a surcharge on property and casualty insurance premiums as follows:

- The surcharge shall be \$0.30 per \$100 of insurance premium.
- The funds generated by the surcharge shall be distributed as follows:
 1. An amount of \$0.245 of the funds collected shall be deposited into the Firefighters Foundation Program Fund to fund the activities of the Commission on Firefighting Personnel Standards and Education.
 2. An amount of \$0.05 of the funds collected shall be used to fund the operations of the Tennessee Fire Service and Codes Enforcement Training Academy.
 3. An amount of \$0.005 of the funds collected shall be utilized by the Department of Commerce and Insurance to defray the cost of collecting the surcharge.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$14,389,000 Earmarked as follows:

- **\$11,751,000/Fighters Foundation Program Fund**
- **\$2,398,000/Tennessee Fire Service and Codes Enforcement Training Academy Operations Fund**
- **\$240,000/Department of Commerce and Insurance**

**Increase State Expenditures - \$209,000 Recurring
\$30,000 One-Time**

Other Fiscal Impact - Makes approximately \$11,751,000 available for expenditure by the Firefighters Foundation Program Fund and approximately \$2,398,000 available for expenditure by the Tennessee Fire Service and Codes Enforcement Training Academy

Estimate assumes:

- any revenues collected under the provisions of this bill will be in addition to revenues currently provided by the premium tax.
- an increase in state revenues of approximately \$14,389,000 from the collection of the surcharge on premiums. Under the provisions of this bill, such revenues are to be distributed as follows:
 - Department of Commerce and Insurance - \$240,000.
 - Tennessee Fire Service and Codes Enforcement Training Academy Operations Fund - \$2,398,000.
 - Firefighters Foundation Program Fund - \$11,751,000.

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- the Department of Commerce and Insurance will require 5 positions with related expenses to implement the bill.
- any unexpended funds generated by the bill, except funds allocated to the Department of Commerce and Insurance, shall not revert to the General Fund but will remain in the Firefighters Foundation Fund and in the Tennessee Fire Service and Codes Enforcement Training Academy Operations Fund.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director